

SENATE No. 2073

[LOCAL APPROVAL RECEIVED.]

The Commonwealth of Massachusetts

PRESENTED BY:

Therese Murray

To the Honorable Senate and House of Representatives of the Commonwealth of Massachusetts in General Court assembled:

The undersigned legislators and/or citizens respectfully petition for the passage of the accompanying bill:

An Act establishing the Sandwich Economic Initiative Corporation.

PETITION OF:

NAME:	DISTRICT/ADDRESS:
Therese Murray	Plymouth and Barnstable
Jeffrey Davis Perry	5th Barnstable

The Commonwealth of Massachusetts

In the Year Two Thousand and Nine

An Act establishing the Sandwich Economic Initiative Corporation

Be it enacted by the Senate and House of Representatives in General Court assembled, and by the authority of the same, as follows:

1 SECTION 1. (a) The general court finds that:

2 (1) in the town of Sandwich unused, underused, undeveloped or underdeveloped
3 areas exist;

4 (2) redevelopment of these areas in accordance with locally-approved community
5 and economic development, capital improvement or other plans, including the town's local
6 comprehensive plan and master plan, if any, is necessary to attract new commercial, industrial
7 or residential development and to promote the sound and orderly growth of the town;

8 (3) these unused, underused or underdeveloped areas is beyond remedy and
9 control solely by the regulatory process in the exercise of the police powers and cannot be dealt
10 with effectively by the ordinary operations of private enterprise without the assistance provided
11 in this act;

12 (4) the improvement of sites for commercial, industrial or residential uses or for
13 necessary public facilities in the areas, the disposition of property for redevelopment incidental
14 to these improvements, the exercise of powers by the corporation, and any assistance which may
15 be given by the town or any other public body in connection with these actions, are public uses
16 and purposes for which public money may be expended; and

17 (5) the acquisition, planning, clearance, development, rehabilitation or rebuilding
18 of these unused, underused and undeveloped areas for commercial, industrial, residential,
19 institutional and public facility purposes are public benefits for which public funds may be
20 expended for the welfare of the town and the commonwealth.

21 (b) The general court further finds that:

(1) the town of Sandwich has a need to develop or redevelop public facilities and infrastructure to stimulate and support economic growth;

(2) without these public facilities and services the town cannot develop a sound, vibrant economic base; and

(3) the development, management and operation of public facilities in support of economic development are essential to the preservation and enhancement of the town's tax base, economy and jobs.

(c) The general court further finds that:

(1) the town of Sandwich has developed, as part of its local comprehensive plan, a plan to protect and preserve open space and to develop affordable housing in order to support the objectives of balanced growth;

(2) without sufficient open space and housing affordable to a broad range of incomes, the town cannot develop and sustain a vibrant economic base; and

(3) the protection of open space and the provision of affordable housing are essential to the preservation and enhancement of the town's tax base and economy.

(d) The general court further finds that the purpose of the corporation shall be to serve as a catalyst for stimulating projects that improve the quality of life and help achieve Sandwich's vision for its future as an attractive community for its residences in which to live and work, while also being a catalyst for positive change and an advocate of solutions and opportunities for the town's business and economic development through programs, including but not limited to, cultural, historical, economic, housing, educational, industrial, professional, tourism and sports growth.

(e) The general court further finds that the purpose of the corporation shall also be to create a suitable living environment and to strengthen partnerships between all levels of government and non-profit and for-profit organizations in an effort to maximize social and economic opportunities available to the citizens of the town.

(f) The general court further finds that the purpose of the corporation shall also be to enhance the position, image and perception of the town as a desirable place to live, work, visit and invest by providing increased revenue and jobs to the town through programs of planned cultural, historical, economic, housing, educational, industrial, professional, and tourism and sports growth.

(g) The general court further finds a public corporation is necessary to address these and related public purposes. It is the purpose of the corporation created by this act to aid the town,

other public agencies, private enterprises and non-profit organizations in the speedy and orderly development or redevelopment of unused, obsolete, underused or underdeveloped areas and in the development, operation and management of facilities and infrastructure necessary to support the economic vitality of the town.

SECTION 2. As used in this act the following words shall, unless the context clearly requires otherwise, have the following meanings:

“Board of selectmen”, the duly elected board of selectmen of the town of Sandwich.

“Board of directors”, the managing body of the corporation consisting of members appointed thereto in accordance with section 9.

“Corporation”, the Sandwich Economic Initiative Corporation established pursuant to this act.

"Development project",

(1) a project to be undertaken in furtherance of the purposes of this act for acquisition or leasing by the corporation of land and improvements thereon and the development of the property so acquired;

(2) a project to be undertaken in furtherance of the purposes of this act for the rehabilitation or conservation of property or for the demolition, removal, rehabilitation or addition of improvements whenever necessary to carry out the purposes of this act;

(3) a project entailing the construction, improvement, or rehabilitation of infrastructure, public facilities, or both, in furtherance of the purposes of this act; or

(4) a project involving a combination of the foregoing types of projects. A development project may include improvements necessary for carrying out the objectives of the project together with such site improvements as are necessary for the preparation of any site for uses in accordance with locally-approved development plans as well as for making any land or improvements acquired in the area of the project available for redevelopment or rehabilitation by private enterprise, including the sale, initial leasing or retention by the corporation for industrial, commercial, business, manufacturing or residential uses contemplated by a development plan. A development project may include the construction by the corporation of any of the buildings, structures or other facilities for industrial, commercial, business, manufacturing or residential uses contemplated by a development plan and the repair, removal or rehabilitation by the corporation of any of the buildings, structures or other facilities located in a development area which are to be repaired, moved or rehabilitated. A development project may also include a preservation project as defined by this act where limited development of land to be preserved primarily for conservation, farming, forestry, recreation or open space uses may be carried out by the corporation in order to finance the cost of acquiring the land and improvements thereon.

90 “Financial institution”, a banking corporation or institution, trust company, savings bank,
91 cooperative bank, savings or loan association, insurance company or related corporate
92 partnership, foundation or other institution engaged primarily in lending or investing funds.

93 “Town”, the town of Sandwich.

94 “Town manager”, the duly appointed Town manager of the Town.

95 “Town meeting”, the direct democracy of town voters acting in lawfully convened
96 session.

97 SECTION 3.(a) There shall be a body politic and corporate to be known as the Sandwich
98 Economic Initiative Corporation. The corporation shall be a public instrumentality separate from
99 the town, and shall not be considered an authority, board or committee of the town. The
100 corporation is empowered to carry out the provisions of this act, and the exercise by the
101 corporation of the powers conferred by this act shall be considered the performance of essential
102 public and governmental functions.

103 (b) The purposes of the corporation shall be to promote the objectives set forth in section
104 1 as well as to promote the common good and general welfare of the town, to improve the living
105 standards of its citizens by fostering the improvement of their employment opportunities and to
106 solicit, encourage and induce business organizations and educational institutions to locate in the
107 town with an emphasis on expanding the tax base of the town. The corporation shall assist and
108 promote the development and expansion of business activities and business organizations in the
109 town. Development projects undertaken by the Corporation shall be consistent with any master
110 plan adopted by the Sandwich planning board pursuant to section 81D of chapter 41 of the
111 General Laws or a local comprehensive plan adopted by the Town pursuant to section 9 of
112 chapter 716 of the acts of 1989 and in effect when the project is commenced. In furtherance of
113 the purposes named in this section, and in addition to the powers conferred on the corporation
114 under the provisions of this act, the corporation shall, subject to the restrictions and limitations
115 hereinafter provided, have the following powers:

116 (1) to sue and be sued in its own name, to plead and to be impleaded;

117 (2) to adopt by-laws and rules for the regulation of its affairs and the conduct of
118 its business and to alter those by-laws and rules;

119 (3) to make and enter into all contracts and agreements necessary or incidental to
120 the performance of its duties. The procurement of supplies and services by the Corporation shall
121 be subject to chapter 30B of the General Laws;

122 (4) subject to subparagraph (29) hereof, to receive and accept from any federal
123 agency, the commonwealth or any political subdivision thereof any grants, loans or advances for
124 or in aid of a development project or projects and to receive and accept contributions from any

other source of either money, property, labor or other things of value, to be held, used and applied for the purposes for which these grants, loans, advances and contributions may be made;

(5) to invest any funds not required for immediate use or disbursement in certificates of deposit or in obligations of the government of the United States or in obligations guaranteed by the government of the United States; and, subject to a specific vote of the board of directors, to invest funds in any fashion in which municipal funds may be invested pursuant to the provisions of chapter 44 of the General Laws;

(6) to own and manage real property;

(7) to make relocation payments to persons and businesses displaced as a result of carrying out a development project under this act, in accordance with chapter 79A of the general laws;

(8) to provide advisory services and technical assistance necessary or desirable to carry out the purposes of this act;

(9) to prepare or cause to be prepared plans, designs, drawings, specifications and estimates of cost for the construction, reconstruction, development, redevelopment, rehabilitation, remodeling, alteration or repair of development projects and, from time to time, modify these plans, designs, drawings, specifications and estimates;

(10) to designate property for development and preservation projects, except that when the property is owned by the town, the designation and use shall have the concurrence of the town meeting;

(11) to procure insurance against any loss in connection with its property, other assets and operations;

(12) to arrange or contract with the town for the planning, preplanning, opening or closing of streets, roads, alleys or other places or for the furnishing of facilities or for the acquisition by the town of property or property rights or for the furnishing of property or services in connection with a development project or projects;

(13) to manage or lease any development project, whether owned or leased by the corporation, and to enter into agreements with the commonwealth or the town or any agency or instrumentality thereof, or with any person, firm, partnership or corporation either public or private for the purposes of causing any development project to be managed;

(14) To establish subsidiary or affiliate legal entities convenient or necessary to advance the purposes of this act;

(15) to establish and collect fees for the use of any properties owned or leased by the corporation, or for the provision of infrastructure, facilities, services and amenities;

159 (16) To act with respect to one or more development projects as a corporation
160 organized under chapter 121A of the General Laws;

161 (17) To borrow money for the purposes of aiding in the construction of
162 equipment required by the commonwealth or the United States to abate air or water pollution;

163 (18) To borrow money for the purposes of aiding in the construction of public
164 facilities, infrastructure and utilities necessary for economic development;

165 (19) to apply to the federal government or to the commonwealth for housing or
166 economic development assistance grants to carry out approved economic development projects,
167 to receive and administer these grants, to contract with the commonwealth for financial
168 assistance, to apply for and receive advances for the estimated costs of surveys and plans and
169 administrative expenses in preparation for economic development projects, and to apply for,
170 receive and administer community development action grants, all to the same extent and subject
171 to the same terms and conditions as an urban renewal agency pursuant to sections 53 to 57A,
172 inclusive, of chapter 121B of the General Laws.

173 (20) To do all acts and things necessary or convenient to carry out the powers
174 expressly granted in this act;

175 (21) to employ consulting engineers, an executive director, superintendents,
176 managers, and other employees, agents and consultants as may be necessary in its judgment and
177 to fix their compensation;

178 (22) to accept, acquire, other than by eminent domain, receive and hold by
179 bequest, devise, grant, gift, purchase, exchange, lease, transfer, judicial order or decree or
180 otherwise, for any of its objects and purposes, any property, both real and personal, from any
181 source, including grants, loans or advances for or in aid of the corporation from any federal
182 agency or the commonwealth or any political subdivision thereof;

183 (23) to sell, convey, mortgage, lease, transfer, exchange, or otherwise dispose of
184 any property, both real and personal, that the objectives and purposes of the corporation may
185 require, subject to any limitations as may be prescribed by law, including without limitation the
186 requirements of section 16 of chapter 30B of the General Laws;

187 (24) to borrow money and, from time to time, to make, accept, endorse, execute
188 and issue bonds, debentures, promissory notes, bills of exchange and other obligations of the
189 corporation for monies borrowed or in payment for property acquired or for any of the other
190 purposes of the corporation and to secure the payment of these obligations by mortgage, pledge,
191 deed, indenture, agreement or other instrument of trust, or by lien upon, assignment of or
192 agreement in regard to all or any part of the corporation's property, rights or privileges, whether
193 now owned or later acquired;

194 (25) to make loans to any person, firm, corporation, joint stock company,
195 association or trust located or doing business in the town, or proposing a development project
196 within the town, for the purpose of promoting and developing business activities;

197 (26) to acquire improved and unimproved real estate for the purposes of
198 developing, demolishing, constructing or reconstructing commercial, industrial, residential,
199 institutional, or other establishments thereon, or for developing, redeveloping or constructing
200 public facilities, or for the purpose of disposing of such real estate to others for the development,
201 redevelopment, demolition, construction, operation or management of commercial, industrial,
202 residential, institutional or other establishments, or for public facilities, as the objects and
203 purposes of the corporation may require; but nothing contained in this act shall be construed to
204 grant the corporation the power of eminent domain. Acquisition of land from the town of
205 Sandwich shall not be subject to section 16 of chapter 30B of the General Laws, and shall only
206 be authorized by a two-thirds vote of town meeting;

207 (27) To acquire, demolish, construct, reconstruct, alter, maintain, sell, convey,
208 transfer, mortgage, pledge or otherwise dispose of commercial, industrial, residential or business
209 establishments or other property as the objects and purposes of the corporation may
210 require. Notwithstanding the provisions of any general or special law to the contrary, the
211 corporation may enter into a contract, in conformance with chapter 30B of the General Laws, for
212 the construction, reconstruction, installation, demolition, maintenance or repair of any public
213 building or public work without said contract being subject to the competitive bid process as set
214 forth in sections 38 A1/2 to 38 O, inclusive, of chapter 7, section 39M of chapter thirty, or
215 sections 44A to 44 J, inclusive, of chapter 149. Construction projects undertaken by the
216 Corporation shall be subject to the prevailing wage law requirements of chapter 149 of the
217 General Laws, and shall be subject to all federal, state, and local laws, bylaws, rules, and
218 regulations governing such development, including without limitation, the Sandwich protective
219 zoning by-law.

220 (28) to acquire, subscribe for, own, hold, sell, assign, transfer, mortgage, pledge
221 or otherwise dispose of the bonds, debentures, notes or other securities and evidences of interest
222 in or indebtedness of any person, firm, corporation, joint stock company, association or trust,
223 and, while the owner or holder thereof, to exercise all the rights, powers and privileges of
224 ownership;

225 (29) to cooperate with and avail itself of the facilities and programs of various
226 governmental agencies including, but not limited to, those of the Small Business Development
227 Corporation, the Massachusetts office of business and development, the United States
228 Department of Commerce, the New England Regional Commission and any similar
229 governmental agencies; provided, however, that the corporation shall notify the town manager of
230 all grant applications not less than ten business days prior to the submission of such applications
231 by the Corporation. The Corporation shall not submit a grant application if the Town Manager

232 informs the Corporation that the Town will be submitting a competing application for the same
233 grant;

234 (30) To receive stocks, bonds, donations and gifts, and to otherwise raise money
235 for the above purposes;

236 (31) To promote the town as a retail, commercial, industrial, professional and
237 financial center.

238 (c) The corporation shall not participate or intervene in any political campaign on behalf
239 of any candidate for public office or publish or distribute any statements with respect
240 thereto. Notwithstanding any other provision of this act, neither the members, directors, officers,
241 nor the corporation shall participate in any prohibited transactions, as defined in section 503 of
242 the Internal Revenue Code, nor shall the corporation accumulate income or engage in any
243 activities if the accumulation of income or the activities so engaged in are, or would be, within
244 the prohibitions of section 504 of said Internal Revenue Code, nor shall the corporation be
245 operated at any time for the primary or sole purpose of carrying on a trade or business for profit.
246 Subject to the limitations set forth in chapter 55 of the General Laws, the Corporation may
247 advocate for the passage or defeat of a state or local ballot question.

248 **SECTION 4.** The principal office of the corporation shall be located in the town of
249 Sandwich.

250 **SECTION 5.** The corporation shall not be subject to chapter 63 of the General Laws, nor
251 shall the corporation be liable for any taxes based upon or measured by income. The securities and
252 evidences of indebtedness issued by the corporation shall be free from taxation by the
253 commonwealth.

254 **SECTION 6.** In order to carry out the purposes of this act and exercise the powers of the
255 corporation, the town may raise and appropriate, or may borrow in aid of the corporation, such sums
256 as may be necessary to make a loan or grant to the corporation. The town of Sandwich shall not
257 incur any financial obligation to the corporation or resulting from any action of the corporation
258 absent a two-thirds vote of town meeting.

259 **SECTION 7.** The Corporation shall be deemed a governmental body for purposes
260 of section 23A of the General Laws, provided, however, that notwithstanding the provisions of
261 section 23B of chapter 39, the board of selectmen of the town of Sandwich is hereby authorized
262 to meet with the board of directors in executive session for the purpose of considering proposed
263 development plans of the corporation. The board of directors is hereby authorized to meet with
264 persons proposing a development plan in executive session. The Corporation shall be subject to
265 section 10 of chapter 66 of the General Laws.

SECTION 8 Notwithstanding any general or special law to the contrary, or any provision in their respective charters, agreements of associations, articles of organization, or trust indentures, domestic corporations organized for the purpose of carrying on business within the commonwealth, including without implied limitation any electric or gas company as defined in section 1 of chapter 164 of the General Laws, railroad corporations as defined in section 1 of chapter 160 of the General Laws, financial institutions, trustees and the town may acquire, purchase, hold, sell, assign, transfer, or otherwise dispose of any bonds, securities or other evidence of indebtedness of the corporation and may make contributions to the corporation, all without the approval of any regulatory authority of the commonwealth.

A contribution made under this section to the corporation shall be in addition to contributions authorized by section 12C of chapter 155 of the General Laws and by other general or special law.

SECTION 9. The corporation shall be managed by a board of directors consisting of nine voting members, each serving a term of three years. The board of selectmen shall make the initial appointments to the board of directors. Initial appointments shall be for staggered terms of one, two, and three years so that an even number of seats as nearly as possible shall be subject to reappointment in subsequent years. In making the initial appointments, the board of selectmen shall designate, as to each appointment, the seat being filled as set forth herein. Thereafter, membership on the board of directors shall be determined as follows: the Sandwich board of selectmen shall choose three directors, including one director from the persons among the current membership of the board of selectmen, one director from the general citizenry of the town of Sandwich, and one director from those individuals, entities, or organizations engaged in non-profit enterprises in the town of Sandwich; the Sandwich chamber of commerce shall choose one director; and the board of directors shall choose five directors from the general citizenry of the town of Sandwich with education and experience in the fields of economic development, finance, real estate, retail, and related business activities. The power to appoint such directors shall include the power to fill vacancies for those directors.

Each member shall be sworn to the faithful performance of his official duties as a member of the board of directors. A majority of the nine members shall constitute a quorum for the transaction of any business; provided, however, that any action of the board of directors shall require the affirmative vote of a majority of the entire board.

A member of the board of directors may be removed for cause after a hearing by a majority vote of all of the members of the board of selectmen and the remaining members of the board of directors. The members of the board of directors shall be deemed to be special municipal employees for the purposes of chapter 268A of the General Laws.

There shall be elected by and from the board of directors a president, treasurer, secretary/clerk, and any other officers as may be considered necessary by the board.

303 The members of the board of directors shall not receive compensation for the
304 performance of their duties under this act, but each member may be reimbursed by the
305 corporation for expenses actually incurred in the performance of his duties.

306 **SECTION 10.** The board of directors shall adopt a corporate seal for the corporation and
307 designate the custodian thereof. The board of directors shall cause at all times accurate accounts
308 to be kept of all receipts and expenditures of the funds of the corporation and shall make a report
309 annually to the board of selectmen, containing an abstract of such accounts and detailed
310 information of all receipts and expenditures, including prices paid for property acquisition,
311 contracts for construction of facilities and for the leasing thereof, and such other detailed
312 information as may be helpful. Upon request of the Board of Selectmen, the Corporation shall
313 make available to the Town its books and records and shall reasonably cooperate with the
314 Finance Committee of the Town in any investigation of the books and records of the Corporation
315 by the Finance Committee or its designee. The corporation shall cause an audit of its books and
316 accounts to be made biannually by certified public accountants and the cost thereof shall be
317 treated as a current expense. Except as otherwise provided in this act, the corporation shall have
318 the full power to exercise care of its property and the management of its business and
319 affairs. The treasurer shall give bond for the faithful performance of his duties, with a surety
320 company authorized to do business in the commonwealth as surety, in such sum as the board of
321 directors may determine, the premium of which shall be paid by the corporation.

322 **SECTION 11.** The corporation, from time to time, may provide by resolution for the
323 issuance of revenue bonds of the corporation for the purposes of paying all or any part of the cost
324 of a development project or projects. The principal of and interest on the bonds shall be payable
325 solely from the funds herein provided for the payment. The bonds of each issue shall be dated,
326 shall bear interest at the rates and shall mature at the time or times not exceeding 20 years from
327 their date or dates, as determined by the corporation, and may be redeemable before maturity, at
328 the option if the corporation, at the price or prices and under the terms and conditions fixed by
329 the corporation before the issuance of the bonds. The corporation shall determine the form of the
330 bonds, including any interest coupons to be attached thereto, and the manner of execution of the
331 bonds, and shall fix the denomination or denominations of the bonds and the place or places of
332 payment of principal and interest, which may be at any bank or trust company within the
333 commonwealth. In case any officer whose signature, or a facsimile thereof, shall appear on any
334 bonds or coupons shall cease to be an officer before the delivery of the bonds, the signature or
335 facsimile shall nevertheless be valid and sufficient for all purposes as if that officer had remained
336 in office until the delivery. The bonds may be issued in coupon or registered form or both, as the
337 corporation may determine, and provision may be made for the registration of any coupon bonds
338 as to principal alone and also as to both principal and interest. The corporation may sell the
339 bonds in a manner and for a price, either at public or private sale, as it may determine to be for
340 the best interests of the corporation.

341 The proceeds of the bonds shall be used solely for the payment of the cost of a
342 development project and shall be disbursed in a manner and under such restrictions, if any, as the
343 corporation may provide. Before the preparation of definitive bonds, the corporation may, under
344 like restrictions, issue interim receipts or temporary bonds, with or without coupons,
345 exchangeable for definitive bonds when the bonds have been executed and are available for
346 delivery. The corporation may also provide for the replacement of any bonds which shall
347 become mutilated or shall be destroyed or lost. Revenue bonds may be issued under this act
348 subject only to those proceedings, conditions or things which are specifically required by this act.

349 The corporation may provide by resolution for the issuance of revenue refunding bonds
350 of the corporation for the purpose of refunding any revenue bonds then outstanding and issued
351 under this act, including the payment of any redemption premium thereon on any interest
352 accrued or to accrue to the date of redemption of the bonds and, if deemed advisable by the
353 corporation, for the additional purpose of construction or reconstructing and extensions or
354 improvements of the development project. The issue of the bonds, the maturities, and other
355 details thereof, the rights of the holders thereof, and the duties of the corporation relative thereto
356 shall be governed by this act insofar as it is applicable.

357 While any bonds issued by the corporation remain outstanding, the powers, duties or
358 existence of the corporation shall not be diminished or impaired in any way that will adversely
359 affect the interests and rights of the holders of the bonds.

360 Revenue and revenue refunding bonds issued under this act, unless otherwise authorized
361 by law, shall not constitute a debt of the commonwealth or the town, or a pledge of the full faith
362 and credit of the commonwealth or of the town, but the bonds shall be payable solely from the
363 funds herein provided therefore from revenues generated by the corporation. If the corporation
364 or the town or commonwealth is not obliged to pay the revenue or revenue refunding bonds, all
365 the revenue and revenue refunding bonds shall contain on the face thereof a statement to the
366 effect that neither the corporation nor the commonwealth nor the town shall be obliged to pay the
367 same or the interest thereon except from revenues, and that neither the faith and credit nor taxing
368 power of the commonwealth or of the town is pledged to the payment on the bonds.

369 All revenue and revenue refunding bonds issued under this act shall have all the qualities
370 and incidents of negotiable instruments as defined in section 3-104 of chapter 106 of the General
371 Laws.

372 **SECTION 12.** In the discretion of the corporation, the revenue bonds or revenue
373 refunding bonds may be secured by a trust agreement by and between the corporation and a
374 corporate trustee, which may be any trust company or bank having the powers of a trust
375 company within the commonwealth. The trust agreement may pledge or assign the revenues to
376 be received, but shall not convey or mortgage any development project or part thereof.

377 Either the resolution providing for the issuance of bonds or the trust agreement may
378 contain provisions for protecting and enforcing the rights and remedies of the bondholders,
379 including, without limitation, provisions defining defaults and providing for remedies in the
380 event thereof, which may include the acceleration of maturities, and covenants setting forth the
381 duties of and limitations on the corporation in relation to the acquisition, construction,
382 improvement, enlargement, alteration, equipping, furnishing, maintenance, operation, repair,
383 insurance and disposition of property, the custody, safeguarding, investment and application of
384 moneys, the use of any surplus bond or note proceeds and the establishment of reserves. The
385 resolution or trust agreement may also contain covenants by the corporation in relation to:

386 (1) the establishment, revision and collection of rents and charges for services of facilities
387 furnished or supplied by the corporation that provide revenues sufficient with other revenues of
388 the development project, if any, to pay

389 (i) the cost of maintaining, repairing and operating the development project and of
390 making renewals and replacements in connection therewith,

391 (ii) the principal of and the interest on the revenue bonds as they become due and
392 payable,

393 (iii) payments in lieu of taxes, betterment and special assessments, and (iv)
394 reserves for such purposes;

395 (2) the purpose or purposes for which the proceeds of the sale of the bonds will be
396 applied and the use and disposition thereof;

397 (3) the use and disposition of the gross revenues of the corporation from the development
398 project, any additions thereto and extensions and improvements thereof, including the creation
399 and maintenance of funds for working capital and for renewals and replacements to the
400 development project;

401 (4) the amount, if any, of additional revenue bonds payable from the revenues of the
402 development project and the limitations, terms and conditions on which the additional revenue
403 bonds may be issued; and

404 (5) the operation, maintenance, management, accounting and auditing of the development
405 project and of the income and revenues of the corporation.

406 It shall be lawful for any bank or trust company incorporated under the laws of the
407 commonwealth to act as depository of the proceeds of the bonds or of revenues and to furnish
408 indemnifying bonds or to pledge securities as required by the corporation. The trust agreement
409 may set forth the rights and remedies of the bondholders and of the trustees and may restrict the
410 individual right of action by bondholders as is customary in trust agreements or trust indentures
411 securing bonds and debentures of corporations. The trust agreement may contain other

provisions as the corporation considers reasonable and proper for the security of the bondholders. All expenses incurred in carrying out the trust agreement may be treated as a part of the cost of the operation of the development project. The pledge by any trust agreement or resolution shall be valid and binding from the time when the pledge is made; the revenues or other moneys so pledged and then held or later received by the corporation shall immediately be subject to the lien of the pledge without any physical delivery thereof or further act; and the lien of the pledge shall be valid and binding as against all parties having claims of any kind in tort, contract or otherwise against the corporation, irrespective of whether the parties have notice thereof. Neither the resolution nor any trust agreement by which pledge it is created need be filed or recorded except in the records of the corporation, and no filing need be made under chapter 106 of the General Laws.

SECTION 13. Revenue bonds and revenue refunding bonds issued under this act are hereby made securities in which all public officers and public bodies of the commonwealth and its political subdivisions, all insurance companies, trust companies in their commercial departments and within the limits set by section 6 of chapter 167E of the General Laws, banking associations, investment companies, executors, trustees and other fiduciaries, and all other persons who are now or may hereafter be authorized to invest in bonds or other obligations of a similar nature may properly and legally invest funds, including capital in their control and belonging to them; and the bonds are hereby made obligations which may properly and legally be made eligible for the investment of savings deposits and income thereof in the manner provided by section 2 of said chapter 167F. The bonds are hereby made securities which may properly and legally be deposited with and received by any state or municipal officer or any agency or political subdivision of the commonwealth for any purpose for which the deposit of bonds or other obligations of the commonwealth is now or may hereafter be authorized by law.

SECTION 14. To provide funds for the general purposes of the corporation, including working capital, the corporation may, from time to time, issue debentures which, unless otherwise authorized by law, shall not constitute a debt of the commonwealth or of the town, or a pledge of the full faith and credit of the commonwealth or of the town, and shall be subordinated to all other obligations of the corporation and shall be payable at the time and in installments, if any, as the corporation shall determine, but solely out of the net assets of the corporation; and the holders thereof shall be entitled to interest thereon, but only out of the net earnings of the corporation, and in no event at a rate higher than the rate specified therein.

The debentures may be secured by a trust agreement by and between the corporation and a corporate trustee, which shall be a trust company or bank located within the commonwealth having the powers of a trust company. The trust agreement shall contain provisions for protecting and enforcing the rights and remedies of the debenture holder. It shall be lawful for any bank or trust company incorporated under the laws of the commonwealth which may act as a depository under the trust agreement to furnish indemnifying bonds or to pledge securities as required by the corporation. The trust agreement shall set forth the rights and remedies of the

451 debenture holders and of the trustee, and may restrict individual right of action by debenture
452 holders. The trust agreement may contain such other provisions as the corporation may consider
453 reasonable and proper for the security of the debenture holders. All expenses incurred in
454 carrying out the trust agreement may be treated as an item of current expense.

455 Debentures may be issued under this act without obtaining the consent of any department,
456 division, office, commission, board, bureau or agency of the commonwealth or the town, and
457 without any other proceedings or the happenings of any other condition or things other than
458 those proceedings, conditions or things which are specifically required by this act.

459 **SECTION 15.** Any holder of bonds or debentures issued under this act or of any
460 coupons appertaining thereto, and the trustee, except to the extent the rights herein given may be
461 restricted by the trust agreement, may, either at law or in equity, by suit, action, mandamus or
462 other proceeding, protect and enforce all rights under the laws of the commonwealth or granted
463 hereunder or under the trust agreement, and may enforce and compel the performance of all
464 duties required by this act or by the trust agreement, to be performed by the corporation or by
465 any officer thereof.

466 **SECTION 16.** The corporation shall not deposit any of its funds in a banking institution
467 not authorized to provide banking services in the Commonwealth of Massachusetts. The
468 designation of a banking institution as a depository shall be subject to a vote of a majority of the
469 directors present at an authorized meeting of the board of directors, exclusive of any director
470 who is an officer or director of the depository so designated. Said corporation shall not receive
471 money on deposit.

472 **SECTION 17.** The corporation shall be liable in contract and in tort in the same manner
473 as a municipal corporation. The directors, employees, officers and agents of the corporation
474 shall be liable in contracts and tort, in the same manner as municipal employees under the
475 General Laws. The corporation shall indemnify the directors, officers, employees and agents of
476 the corporation under sections 9 and 13 of chapter 258 of the General Laws as public
477 employees. The property or funds of the corporation shall not be subject to attachment or to levy
478 and sale on execution, but if the corporation refuses to pay a judgment entered against it in any
479 court of competent jurisdiction, the superior court may direct the treasurer of the corporation to
480 pay the judgment. The real estate owned by the corporation shall not be subject to liens under
481 chapter 254 of the General Laws, but sections 28 and 29 of chapter 149 of the General Laws
482 shall be applicable to any construction work by the corporation.

483 **SECTION 18.** The corporation shall file annual reports with the state secretary and the
484 board of selectmen. These annual reports shall also be published in a newspaper of general
485 circulation in the town within 60 days after the close of the corporation's fiscal year. The state
486 secretary shall make copies of such reports available to the commissioner of insurance and to the

commissioner of banks, and the corporation shall also furnish such other information as may,
from time to time, be required by the state secretary

SECTION 19. The corporation is hereby designated as a community-based development organization for purposes of carrying out community or economic development projects with federal financial assistance.

SECTION 20. The corporation is hereby designated as a non profit organization that may act as a land trust for purposes of carrying out preservation projects as defined in section 2 and for receiving assignment of the town's first refusal options under chapter 61, chapter 61A or chapter 61B of the General Laws.

SECTION 21. The corporation may, upon the affirmative vote of two-thirds of its members and upon an authorization vote of town meeting, petition for its dissolution by order of the supreme judicial or superior court, in the manner provided in section 11A of chapter 180 of the General Laws.

SECTION 22. If the corporation shall fail to commence operations within 6 years after the effective date of this act, then the provisions of this act shall cease to be effective.

SECTION 23. This act shall take effect upon its passage.